



**OFFICE OF
INSURANCE COMMISSIONER**

**In the Matter of the Change in
Control and Merger of**

No. G 2003-108

United HealthCare of Washington, Inc.

ORDER GRANTING EXEMPTION
TO RCW 48.31C.030, AND
APPROVING MERGER

A registered
Health Care Service Contractor
With and Into

United HealthCare Services, Inc.

TO: Juanita B. Luis, Associate General Counsel
UnitedHealth Group Incorporated
UnitedHealth Group Center
9900 Bren Road East
Minnetonka, MN 55343

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Seattle, WA 98101

NATURE OF PROCEEDING

On December 13, 2003 United HealthCare of Washington, Inc., filed a Form A dated December 12, 2003 with the Insurance Commissioner of the State of Washington for a proposed merger into and with United HealthCare Services, Inc., with United HealthCare Services, Inc., being the surviving corporation. The filing also included a request that an order granting an exemption from RCW 48.31C.030 be issued.

UnitedHealth Group Incorporated is the ultimate parent of both United HealthCare of Washington, Inc., a Washington domestic health care service contractor and United HealthCare Services, Inc.

RCW 48.31C.030 requires that any person acquiring control of a Washington domestic health carrier obtain the prior approval of the Insurance Commissioner. RCW 48.31C.030(6) provides that the Commissioner may, by order, grant an exemption from the requirements of RCW 48.31B.030 if the acquisition is: (a) not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic health carrier, or (b) otherwise not comprehended within the purposes of RCW 48.31B.030.

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Order No. G 2003-108
Page Two

FINDINGS OF FACT

Having read the documentary evidence on file the Insurance Commissioner finds as follows:

- (1) United HealthCare of Washington, Inc., is a wholly owned subsidiary of United HealthCare Services, Inc., which in turn is a wholly owned subsidiary of UnitedHealth Group Incorporated.
- (2) On July 31, 2000 United HealthCare of Washington, Inc. received approval from the Commissioner to transfer its Washington enrollees to Premera Blue Cross. Notice was given to enrollees during August 2000 and termination letters were mailed to remaining health plan members on November 23, 2001. On November 5, 2001, United HealthCare of Washington, Inc. received approval from the Commissioner to transfer its remaining Clark County business to Providence Health Plan, Inc. All membership was terminated by June of 2002.
- (3) Upon completion of the merger, HealthCare Services, Inc. will assume all liabilities of United HealthCare of Washington, Inc.
- (4) Upon completion of the transactions, UnitedHealth Group Incorporated will still be the ultimate controlling person of HealthCare Services, Inc.

CONCLUSIONS OF LAW

- (1) Pursuant to RCW 48.31C.030(6) the Insurance Commissioner may grant an exemption from the requirements of RCW 48.31C.030 if the transaction is: (a) not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic health carrier, or (b) otherwise not comprehended within the purposes of RCW 48.31C.030.
- (2) UnitedHealth Group Incorporated, is currently the ultimate controlling person of United HealthCare of Washington, Inc., and after the conclusion of the proposed merger, UnitedHealth Group Incorporated will continue to be the ultimate controlling person of United HealthCare Services, Inc., the surviving corporation.
- (3) The proposed merger is not being made nor entered into for the purpose and does not have the effect of changing or influencing the control of United HealthCare of Washington, Inc.

Order No. G 2003-108
Page Three

ORDER

Consistent with the foregoing Findings of Fact and Conclusions of Law, it is hereby ORDERED:

The proposed merger as set forth in the Form A dated December 12, 2003 and received by the Commissioner on December 13, 2003 in which United HealthCare of Washington, Inc., is merging into and with United HealthCare Services, Inc., is exempt from the requirements of RCW 48.31C.030 and is hereby approved.

United HealthCare of Washington, Inc., shall return the original of its registration as a health care service contractor in the State of Washington to the Commissioner for cancellation.

ENTERED AT OLYMPIA, WASHINGTON, this 19th day of December, 2003.

Mike Kreidler
Insurance Commissioner

By: 

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division